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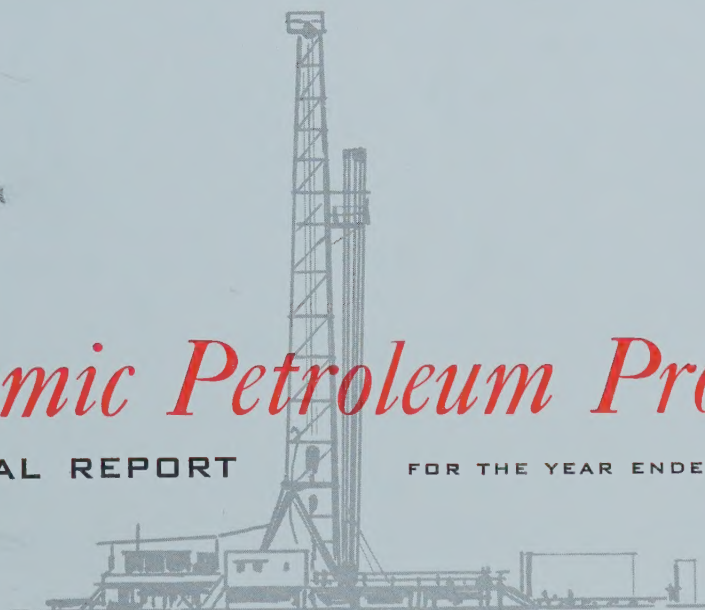
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Dynamic Petroleum Products Ltd.

ANNUAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 1967



1967

Ninth Annual Report

to December 31, 1967

of

DYNAMIC PETROLEUM PRODUCTS LTD.

(Incorporated under the Companies Act of the Province of Alberta)

AUTHORIZED CAPITAL

10,000,000 Shares of No Par Value

Issued: 6,921,632

REGISTERED OFFICE

210 Fina Building, 736 - 8th Avenue South West
Calgary, Alberta, Canada

OFFICERS and DIRECTORS

Frank Brown, President	Calgary, Alberta
Roger D. Paugh, Vice-President	Calgary, Alberta
Robert Clive Brown, Secretary-Treasurer	Calgary, Alberta
Archibald Park Newall, Jr.	Calgary, Alberta

REGISTRAR

Guaranty Trust Company of Canada	Calgary, Alberta
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TRANSFER AGENT

Guaranty Trust Company of Canada	Calgary, Alberta
	Toronto, Ontario

AUDITORS

Purdy, Giles, Wyllie and Co.	Calgary, Alberta
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BANKERS

Royal Bank of Canada	Calgary, Alberta
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LISTED

Toronto Stock Exchange	Toronto, Ontario
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Report of the Directors

TO THE SHAREHOLDERS:

The annual report and financial statements of the Company for the year ended December 31, 1967 are presented herewith.

CORPORATE AFFAIRS

Arising out of the consolidation in 1966 of offices and staffs of all companies included in the chart accompanying this report, whereon is indicated share ownership, interlocking directorate, etc., Dynamic Petroleum Products Ltd. has, in addition to paying its own direct expenses, paid a proportionate share of all administrative and other overhead expenses common to the group on the basis of an adjusting formula, having regard to activity and other relevant factors. Common expenses referred to include, without restriction as to the generality thereof, salaries of directors, officers and staff, general office expenses and the cost of operating a geological and drafting department and a special projects department. This procedure, while increasing administrative and general expenses due to a substantial increase in exploration and development activity as indicated in the financial statements, has resulted in a more efficient operation and has enabled the Company to participate in an active and diversified exploration and development program in co-operation with associated companies.

FINANCIAL

It will be noted from the statement of source and application of funds which is included in the financial statements accompanying this report that cash expenditures during the year exceeded revenues by the sum of \$58,484, thereby reducing working capital to \$478,077 at the year end. However, in this regard cognizance should be taken of a very substantial increase in expenditures for exploration and development, hereinafter referred to, and of the Company's investment in the shares of associated companies which had a quoted market value at the date of the balance sheet, of \$2,647,136 as compared to \$759,640 being the cost of this investment.

During the year under review revenue from royalty interests amounted to \$34,452 as compared to \$5,492 during the preceding year. However, this source of income should very substantially increase in 1968 and in future years as the result of the settlement, before trial, of the legal action instituted by the Company against Pan American Petroleum Corporation and Mobil Oil Canada, Ltd., involving 23,840 acres of petroleum and natural gas rights in the Rainbow area of northern Alberta. The settlement arrived at in March, 1968, by mutual agreement among the three parties, involves:

- An increase in Dynamic's present three percent (3%) gross overriding royalty on the lands affected by the lawsuit to ten percent (10%).
- An increase in Dynamic's present three percent (3%) gross overriding royalty on 10,080 acres that were not involved in the lawsuit to six percent (6%).

- A grant to Dynamic of a three percent (3%) gross overriding royalty on any Crown lands lying within the boundaries of the original petroleum and natural gas reservation farmed out from Dynamic to Mobil – Pan American, and acquired by Mobil and Pan American at any Crown Reserve sale held during the period of four (4) years plus one hundred and twenty (120) days following the date of settlement. There are presently some 31,840 acres that could fall in this category.
- The assignment to Dynamic of seventy-five percent (75%) of the original lands as selected by Pan American and Mobil less the present producing lease, on the following basis:
 - (A) Fifty percent (50%) within twenty-four (24) months, and
 - (B) A further twenty-five percent (25%) within forty-eight (48) months.

Upon the assignment to Dynamic of the above lands Mobil and Pan American will supply to Dynamic all basic geophysical and geological data covering the assigned lands.

- A cash payment to Dynamic of \$250,000.00.

The above settlement will now enable Pan American and Mobil to resume their exploration and development programs over the lands in the Rainbow area referred to above, and shown on the map on Page 3 of this report. The results of such programs could have a very marked effect upon the future net worth of this Company.

Pursuant to an underwriting agreement dated February 12, 1968, the Company sold 650,000 treasury shares to New Continental Oil Company of Canada Limited at \$1.10 per share, yielding \$715,000 cash. As a result of this transaction the Company now has 7,571, 632 shares issued and outstanding of which 1,025,000 shares are owned by New Continental Oil Company of Canada Limited (see chart accompanying this report).

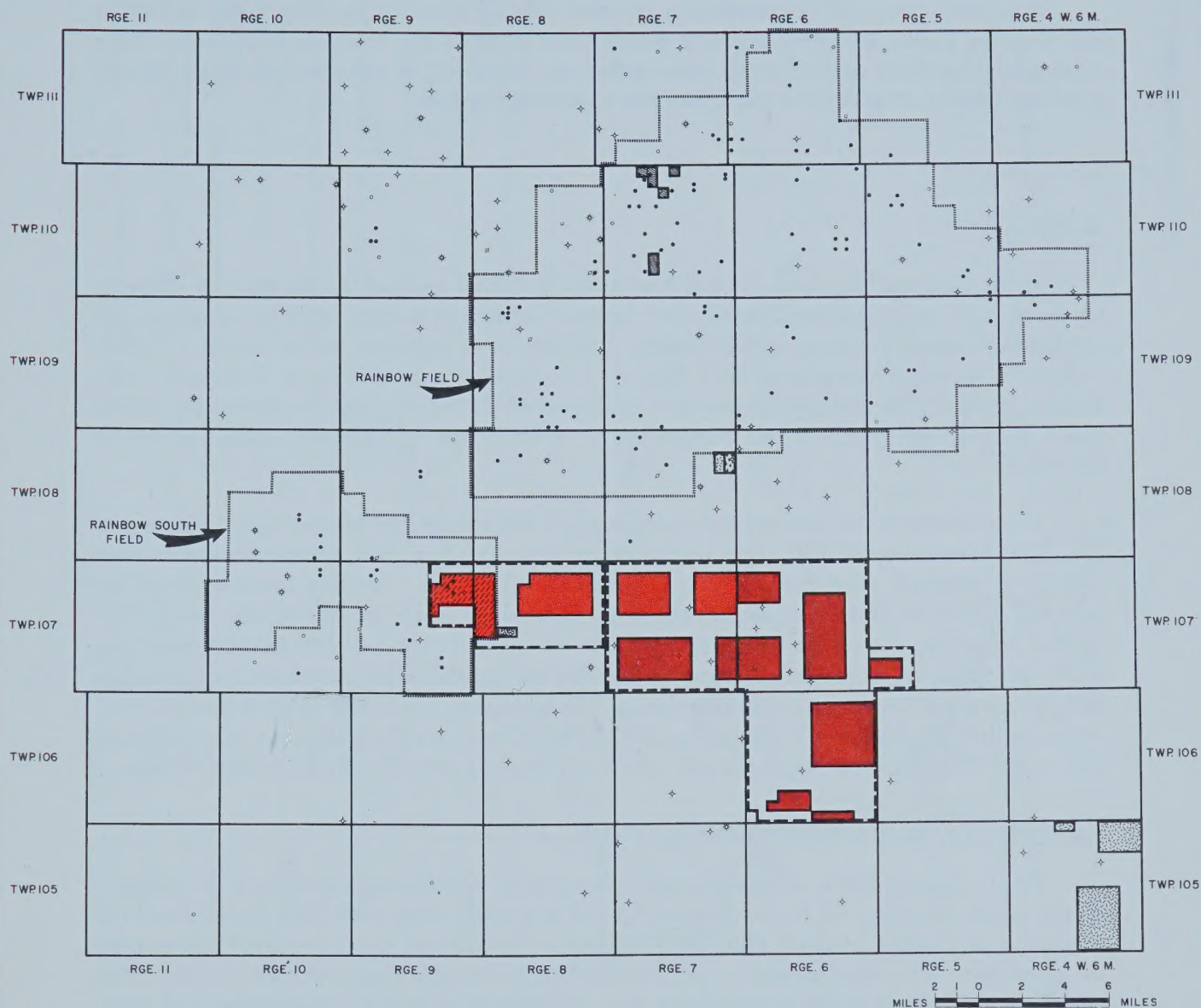
EXPLORATION AND DEVELOPMENT

GENERAL





During the year the Company increased its exploration and development activity in co-operation with associated companies and expended the total sum of \$572,481 for this purpose comprising:

Acquisition of petroleum, natural gas and mining interests		\$226,959
Drilling costs:		
Productive wells	\$136,695	
Non-productive wells	76,962	213,657
Geological, geophysical and airborne radioactivity surveys		90,566
Rentals and other carrying charges		25,200
Production equipment		16,099
	Total	<u>\$572,481</u>






as compared to the sum of \$60,355 expended during the preceding year.



RAINBOW LAKE AREA ALBERTA

-  DYNAMIC HOLDS 10% G.O.R.R. (23,840 ACRES). 50% INTEREST IN THESE LEASES TO BE RETURNED TO DYNAMIC IN 24 MONTHS, ADDITIONAL 25% INTEREST TO BE RETURNED IN 48 MONTHS.
-  DYNAMIC HOLDS 6% G.O.R.R. (10,080 ACRES). 50% INTEREST IN THESE LEASES TO BE RETURNED TO DYNAMIC IN 24 MONTHS, ADDITIONAL 25% INTEREST TO BE RETURNED IN 48 MONTHS.
-  DYNAMIC HOLDS 3% G.O.R.R. IN LEASE (3,840 ACRES) AND 3% G.O.R.R. IN PRODUCING WELLS.
-  DYNAMIC TO RECEIVE 3% G.O.R.R. ON ANY CROWN LANDS ACQUIRED BY PAN AMERICAN AND/OR MOBIL OIL DURING A PERIOD OF 4 1/3 YEARS FROM THE DATE OF SETTLEMENT (31,840 ACRES)

NOTE - G.O.R.R. - GROSS OVERRIDING ROYALTY.

-  NEW CONTINENTAL, DYNAMIC AND CONSOLIDATED EAST CREST PURCHASED 1/3 INTEREST EACH ON AUGUST 1, 1967 FOR \$527,928.00. THREE WELLS DRILLED AND PRODUCING. ONE MORE WELL PLANNED FOR NEAR FUTURE.
-  NEW CONTINENTAL, DYNAMIC AND CONSOLIDATED EAST CREST PURCHASED 1/3 INTEREST EACH ON JANUARY 30, 1968 FOR \$330,000.00. THREE WELLS PLANNED FOR THIS SUMMER.
-  NEW CONTINENTAL, DYNAMIC, CONSOLIDATED EAST CREST, MILL CITY AND ROYAL CANADIAN VENTURES - 20% INTEREST EACH.
-  MILL CITY PETROLEUMS LIMITED - 50%
-  MILL CITY PETROLEUMS LIMITED - 100%

APRIL, 1968

Non-productive well expenditures covered varying interests in three wells drilled in the Cadotte River, Bistcho Lake and Steele Lake areas of the Province of Alberta. Three successful Keg River reef oil wells were drilled on properties in the Rainbow Lake area of northern Alberta in which the Company has a working interest.

EXPLORATION

ALBERTA

In the Cadotte, Bistcho Lake and Northwest Rainbow areas of the Province of Alberta, Dynamic and associates negotiated five farmout agreements from British American Oil Company Limited covering approximately 155,000 acres pursuant to the terms of which two wells, namely, Continental RCV Bistcho 7-23-124-4-6 and Mill City et al Cadotte 7-16-85-17-5 were drilled and abandoned at a total cost of \$294,000 (\$67,162 net to Dynamic) and a seismograph program was carried out at a total cost of \$154,640 (\$38,660 net to Dynamic).

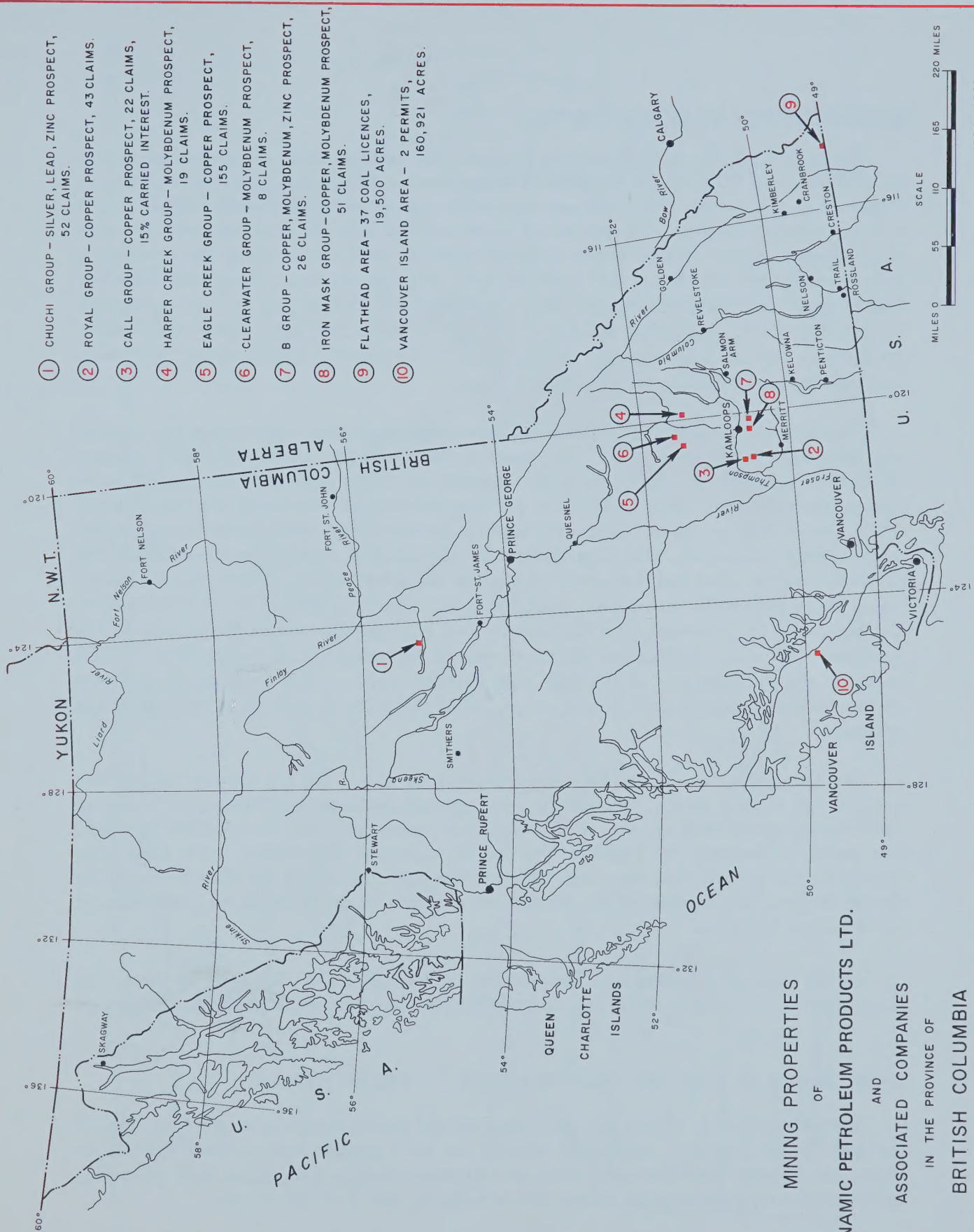
The preliminary seismic survey completed on Petroleum and Natural Gas Reservation No. 553, containing 52,050 acres in the Northwest Rainbow area, indicated that further and more detailed seismic exploration was required before a drilling location could be selected. Dynamic and its associates therefore farmed out their interest in this reservation to Pan American Petroleum Corporation for a cash consideration of \$95,000.00, reserving a 3% overriding royalty. Pan American performed substantial additional seismic exploration and drilled a test well which was abandoned. The Company had a 25% interest in this transaction which resulted in a book profit of \$23,750.00 and has the obligation to contribute the sum of \$10,000.00 towards the cost of the test well by way of a dry hole contribution.

BRITISH COLUMBIA MINING OPERATIONS

The Company has a one-seventh (1/7) interest in 332 mining claims and five mineral leases in the Province of British Columbia and is participating with New Continental Oil Company of Canada Limited, Mill City Petroleums Limited and other associated companies in geophysical and geochemical surveys which are in various stages of completion. Additional properties are being staked from time to time as a result of prospecting and other forms of field exploration. This program is operated for our group of companies by Royal Canadian Ventures Ltd. through an exploration office established in Kamloops, B.C.

On Vancouver Island the Company has a one-seventh (1/7) interest in approximately 161,000 acres of mineral lands which were acquired pursuant to an agreement entered into between Royal Canadian Ventures Ltd. and Canadian Pacific Oil & Gas Limited. A geochemical survey is now in progress over these properties for purposes of a preliminary evaluation.

The map on Page 5 of this report shows the location of the various mineral prospects in British Columbia.



SASKATCHEWAN URANIUM SURVEY

Early in 1967, Dynamic Petroleum Products Ltd. and associated companies entered into an Agreement with the Government of Saskatchewan, to conduct an extensive Uranium Exploration program in the Athabasca Sandstone area of Northern Saskatchewan. This is a large, relatively uninhabited area to the south and east of Lake Athabasca and Uranium City. Approximately 15,000 linear miles of traverses were flown using the Company's own aircraft with the latest and most modern Uranium detection equipment installed. The program continued throughout the summer and fall of that year and was suspended in October, 1967, when bad weather continued to make low level flying unsafe. The preliminary survey, however, was completed. New Continental Oil Company of Canada Limited was the Operator of this project.

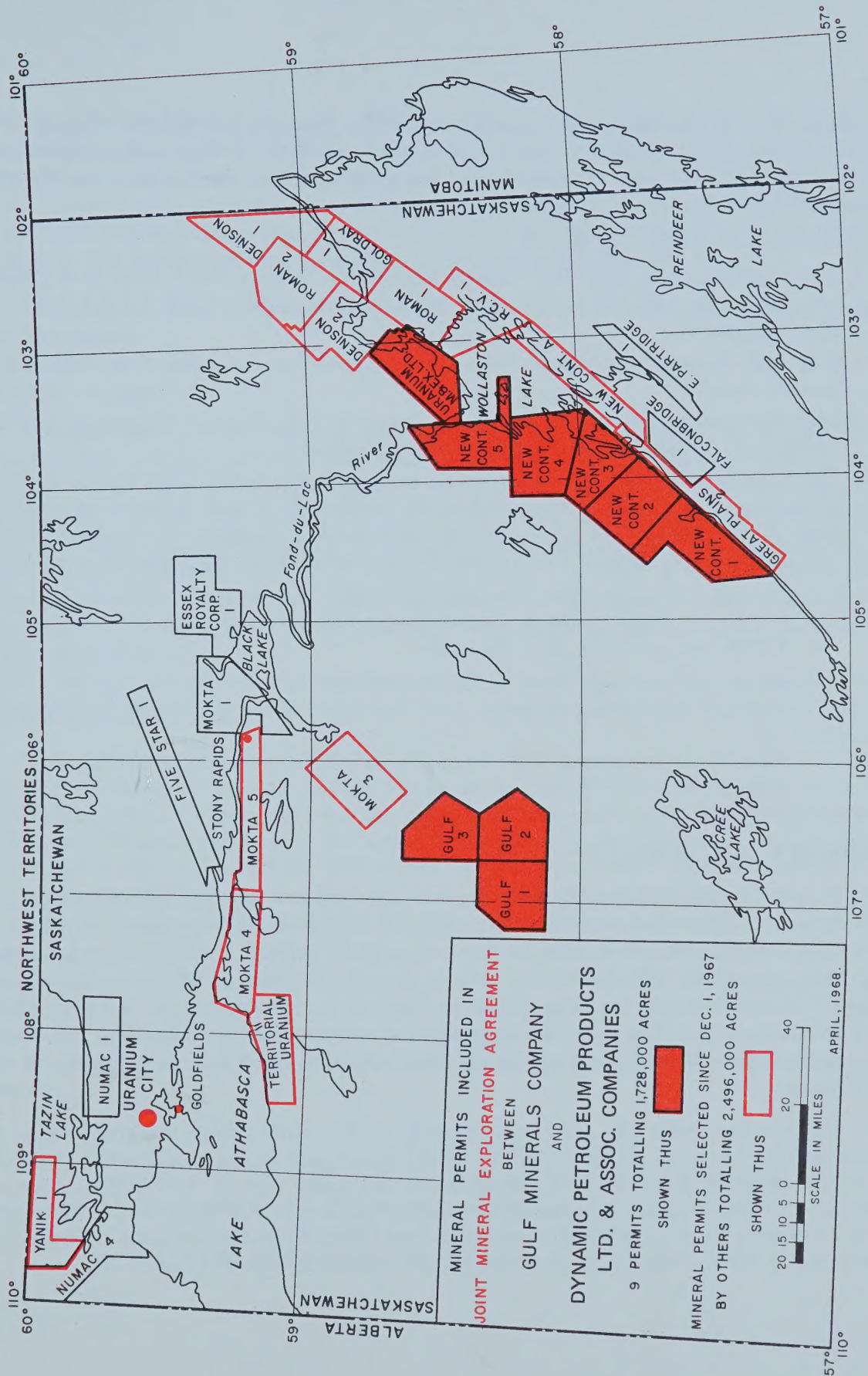
To date, the results of the Uranium Exploration program are encouraging and support the Athabasca Sandstone theory. On November 30, 1967, New Continental Oil Company of Canada Limited on behalf of itself, Dynamic and other associated companies, made application for five mineral exploration permits, totalling 960,000 acres. On December 1, 1967, the Denison group of Companies, namely, Denison Mines Ltd., Roman Corporation, and Goldray Mines Ltd., made application for five mineral exploration permits totalling 960,000 acres on trend and due northeast of those taken by New Continental and associates. Great Plains applied for one permit (192,000 acres) adjoining those of New Continental on the southeast and between New Continental and Falconbridge Nickle Mines Ltd. Mokta (Canada) Ltd. made application for three mineral exploration permits totalling 576,000 acres on the northern part of the Athabasca Sandstone area. All of these permit areas are shown on the map on Page 7 of this report. All of the permits applied for have since been granted.

At this point, we would like to make it quite clear that the mineral exploration permits referred to herein, and which were acquired by New Continental Oil Company and associates, as well as the other companies mentioned, give the holders the right not only to prospect for Uranium but for all minerals. Exploration work being conducted in the general area by others indicates the presence of base metals; therefore, our future exploration program will be designed to evaluate the permit lands for these minerals as well as for Uranium.

Seigel Associates Limited of Toronto have been retained by the group as Consulting Geophysicists, and have been mainly responsible for interpreting the results of the survey.

JOINT MINERAL EXPLORATION PROGRAM — SASKATCHEWAN

Since December 1, 1967, eight additional mineral exploration permits have been applied for and issued, totalling 1,536,000 acres in the same general area as those referred to previously herein. The location of these and all permits referred to herein, and the names of the respective permittees are shown on the map on Page 7 of this report.



Dynamic and Associates have recently completed a joint mineral exploration agreement with Gulf Minerals Company, a wholly owned subsidiary of Gulf Oil Corporation, Pittsburgh, U.S.A., involving all of the mineral exploration permits of Dynamic and Associates in the Athabasca Sandstone area of Northern Saskatchewan.

Under the terms of this Agreement:

- Gulf acquired three additional mineral exploration permits which were then pooled with the six permits held by Dynamic and Associates to give a total of 1,728,000 acres of pooled permits.
- Gulf paid Dynamic and Associates a cash consideration exceeding their exploration costs to date.
- Gulf replaced deposits which had been posted by Dynamic and Associates with the Government of Saskatchewan to guarantee performance.
- Gulf agreed, at its sole cost and expense, to explore the permit lands for the purpose of locating economically attractive deposits of minerals. If such deposits are found to exist in the lands, Gulf shall develop the deposits, construct and operate mines, concentrators and support facilities for the purpose of producing mineral concentrates.
- Dynamic and Associates retained a substantial net profits interest as follows:
 - A 10% net profits interest until Gulf recovers its investment, and
 - A 20% net profits interest thereafter.

Preparations are presently being made by Gulf Minerals Company for an early start on its 1968 mineral exploration program, under the terms of the joint mineral exploration agreement.

DEVELOPMENT

RAINBOW LAKE, ALBERTA

At a Crown sale held August 1, 1967, the Company and Associates, New Continental Oil Company of Canada Limited and Consolidated East Crest Oil Company Limited, each as to an undivided 33-1/3% working interest, acquired three (3) P. & N. G. leases comprising 640 acres, being the NE¼ of 32, the W½ of 33 and the NE¼ of 28 in Township 110, Range 7, West of the 6th Meridian, (Rainbow Area) for a bonus payment of \$527,928.00 (\$175,976.00 net to Dynamic). At December 31, 1967, three successful Keg River reef oil wells had been drilled involving an additional capital expenditure of \$144,400.00 net to Dynamic.

Effective December 29, 1967, the Company sold a portion of its working interest in the three (3) P. & N. G. leases in the Rainbow area referred to above and in the three (3) successful oil wells drilled thereon, complete to the outlet valve of the Christmas tree, to Mill City Petroleum Limited, in consideration of the cash sum of \$400,000.00. After recovering Dynamic's entire capitalized investment as set forth above, the Company's accounts at December 31, 1967, reflect a profit on the sale of these properties of \$79,624.00.

At a Crown sale held January 30, 1968, Dynamic and Associates, New Continental Oil Company of Canada Limited and Consolidated East Crest Oil Company Limited, each as to an undivided 33-1/3% interest, acquired two P. & N. G. leases comprising 480 acres in the Rainbow area, being the W½ of 9 and NW¼ of 34, in Township 110, Range 7, West of the sixth Meridian, for a total bonus consideration of \$330,000.00 (\$110,000.00 net to Dynamic). The Companies plan to develop these properties in the near future.

The map on Page 3 of this report shows the location of all of the Rainbow Lake leases purchased.

JENNER, ALBERTA

On November 6, 1967, Dynamic purchased for \$50,000.00 cash, all of the interest of Canadian Fina Oil Limited in an Agreement dated April 13, 1959 between Dynamic and Canadian Fina, covering certain properties in the Jenner area of the Province of Alberta. The interest acquired from Canadian Fina is an undivided 50% working interest in oil and gas leases comprising approximately 50,000 gross acres, together with a like interest in ten (10) completed gas wells and three (3) heavy oil wells. As a result of this transaction the Company now owns an undivided 80% working interest in these properties and is negotiating a contract to sell existing proven gas reserves and plans to develop additional gas reserves by further drilling in this area.

GENERAL COMMENTS

Your Directors previously indicated their intent to participate in an active exploration and development program in the Rainbow area of Alberta and in other areas of Western Canada in co-operation with the associated companies referred to in this report, with a view to increasing reserves of crude oil and natural gas and revenues from this and other sources. Such a program has been carried out with a measure of success as indicated in this report. Furthermore, in order to diversify its exploration activity, the Company and its associates have established a Special Projects Department under competent personnel, which has resulted in our participating in an airborne radioactivity uranium survey in the Province of Saskatchewan, an exploration program in British Columbia involving geophysical and geochemical surveys in the search for base metals and we are also interested in the search for coal deposits. It is planned to continue our diversified efforts during the coming year in co-operation with associated companies to an extent consistent with our financial resources.

Respectfully submitted,
On behalf of the Board of Directors,
FRANK BROWN, President

Calgary, Alberta
April 26, 1968

ASSETS

CURRENT	1967	1966
Cash	\$ 54,951	\$ 17,105
Short Term Deposits	530,000	10,000
Accounts Receivable	28,181	14,702
Demand Note Receivable	—	500,000
Marketable Securities - at cost (Market value \$864)	730	—
Guarantee Deposits	—	1,000
Materials and Supplies - at cost	1,086	1,240
Corporation Special Refundable Tax	448	448
	<u>615,396</u>	<u>544,495</u>
OTHER		
Operating and Performance Deposits	<u>28,207</u>	—
INVESTMENTS		
Shares of Subsidiary Companies - at cost, less amounts written off (note 2)	102	101
Shares of Other Companies - at cost:		
Crusade Petroleum Corporation Limited		
(Quoted market value 1967 - \$22,440; 1966 - \$9,690) ..	18,073	18,073
Mill City Petroleums Limited		
(Quoted market value 1967 - \$2,029,696; 1966 - \$3,163,938)	373,709	373,709
Royal Canadian Ventures Ltd.		
(Quoted market value 1967 - \$595,000; 1966 - \$983,840) ..	367,858	469,618
Other, including advances in 1967 of \$1,614		
(No quoted market value)	2,597	980
	<u>762,339</u>	<u>862,481</u>
PROPERTY, PLANT AND EQUIPMENT - at cost		
Mining Interests	486	26,097
Petroleum and Natural Gas Interests	325,981	295,559
Well Development Costs	208,583	205,499
Production Equipment	43,466	38,437
Automotive Equipment	7,600	6,140
	<u>586,116</u>	<u>571,732</u>
Less - Accumulated depletion \$41,203 (1966 - \$38,016) and depreciation \$31,947 (1966 - \$28,455)	73,150	66,471
	<u>512,966</u>	<u>505,261</u>
	<u>\$1,918,908</u>	<u>\$1,912,237</u>

Balance Sheet as at December 31, 1967

(comparative figures for 1966)

LIABILITIES

CURRENT	1967	1966
Accounts Payable	<u>\$ 137,319</u>	<u>\$ 7,933</u>

SHAREHOLDERS' EQUITY

Share Capital (Note 3)		
Authorized		
10,000,000 shares without nominal or par value not to exceed in the aggregate on issue \$3,500,000		
Issued		
6,921,632 shares (1966 - 6,801,632)	2,782,140	2,764,140
Deficit	<u>1,000,551</u>	<u>859,836</u>
	<u>1,781,589</u>	<u>1,904,304</u>

Approved on behalf of the Board:

FRANK BROWN, Director

R. C. BROWN, Director

<u>\$1,918,908</u>	<u>\$1,912,237</u>
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See accompanying notes to financial statements.

DYNAMIC PETROLEUM PRODUCTS LTD.

Calgary, Alberta

STATEMENT OF INCOME AND DEFICIT

for the Year Ended December 31, 1967

(with comparative figures for 1966)

REVENUE	1967	1966
Crude Oil sales, less royalties	\$ 13,942	\$ 5,365
Less production expenses	4,762	4,433
	<u>9,180</u>	<u>932</u>
Royalty	34,452	5,492
Interest	17,724	32,798
	<u>61,356</u>	<u>39,222</u>
EXPENSES		
Administrative and general	58,495	28,288
Exploratory costs, lease rentals	115,766	22,933
	<u>174,261</u>	<u>51,221</u>
CASH LOSS FROM OPERATIONS	<u>112,905</u>	<u>11,999</u>
ADD		
Depletion	3,188	1,582
Depreciation	4,581	3,927
Abandonments —		
Petroleum and natural gas and mining interests	46,175	21,576
Well development costs (dry holes)	77,240	5,113
	<u>131,184</u>	<u>32,198</u>
DEDUCT		
Gain on sale of securities	—	5,709
Gain on sale of petroleum and natural gas interests	103,374	—
NET LOSS	<u>140,715</u>	<u>38,488</u>
DEFICIT AT BEGINNING OF YEAR	859,836	820,324
ADD		
Organization expenses written off	—	1,024
DEFICIT AT END OF YEAR	<u>\$1,000,551</u>	<u>\$859,836</u>

See accompanying notes to financial statements.

DYNAMIC PETROLEUM PRODUCTS LTD.

Calgary, Alberta

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

for the Year Ended December 31, 1967

(with comparative figures for 1966)

SOURCE OF FUNDS	1967	1966
Proceeds from shares issued pursuant to stock options granted	\$ 18,000	\$ 9,000
Proceeds from sale of securities	101,760	36,252
Proceeds from sale of properties	423,750	96,812
	<u>543,510</u>	<u>142,064</u>
APPLICATION OF FUNDS		
Cash loss from operations	112,905	11,999
Operating and performance deposits	28,207	—
Investments in and advances to other companies	1,617	1
Purchase of other securities	—	102,148
Petroleum and natural gas interests	226,877	32,462
Mining interests	82	1,097
Well development costs including dry holes	213,657	3,743
Production equipment	16,099	120
Other equipment	2,550	6,140
	<u>601,994</u>	<u>157,710</u>
DECREASE IN WORKING CAPITAL	58,484	15,646
WORKING CAPITAL, beginning of year	536,561	552,207
WORKING CAPITAL, end of year	<u>\$478,077</u>	<u>\$536,561</u>

See accompanying notes to financial statements

DYNAMIC PETROLEUM PRODUCTS LTD.

Calgary, Alberta

NOTES TO FINANCIAL STATEMENTS

December 31, 1967

1. ACCOUNTING POLICY

The company's policy is to capitalize the acquisition costs of petroleum and natural gas and mining interests together with drilling and development costs. Carrying costs and exploration expenses are charged against income as incurred. Acquisition costs of producing properties and drilling and development costs are depleted on a unit of production basis and equipment costs are written off over their estimated useful life. The costs of surrendered properties and dry holes are charged against income in the year of abandonment.

2. SUBSIDIARY COMPANIES

The company has three wholly-owned subsidiary companies, all of which were inactive during the year. The results of all operations of prior years of these subsidiary companies since date of acquisition have been reflected in the accounts.

The figures shown for 1966 are consolidated to include the accounts of one of the subsidiary companies.

3. SHARE CAPITAL

(a) During the year the company issued 120,000 shares to key employees for a cash consideration of \$18,000 pursuant to a stock option agreement dated March 18, 1964 as amended. There are no further employee options outstanding.

(b) On February 12, 1968 the company issued 650,000 shares to New Continental Oil Company of Canada Limited at a price of \$1.10 per share.

4. REMUNERATION OF DIRECTORS AND SENIOR OFFICERS

The company bears a portion of the total remuneration paid to its directors and senior officers who are paid by an affiliated company. The amount of such remuneration allocated to the company during the year amounted to \$16,013 which is included in administrative and general expense.

5. LAWSUIT

Subsequent to the year end the legal action which had been commenced to recover 100% interest in petroleum and natural gas leases was settled out of court. The company received a cash settlement of \$250,000 together with a substantial increase in the interest held in the leases which were the subject of the action and also in certain additional leases.

AUDITORS' REPORT

To the Shareholders of

Dynamic Petroleum Products Ltd.

We have examined the balance sheet of Dynamic Petroleum Products Ltd. as at December 31, 1967 and the statements of income and deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company as at December 31, 1967 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PURDY, GILES, WYLLIE AND CO.

Chartered Accountants

Calgary, Alberta

March 25, 1968

DYNAMIC PETROLEUM PRODUCTS LTD.

Calgary, Alberta

ACREAGE HOLDINGS

at December 31, 1967

PRODUCING		ACREAGE	WORKING INTEREST %
Alberta			
Rainbow	P.&N.G. lease	480	8.333
Colorado, U.S.A.			
Rangely	P.&N.G. lease	292	10.
NON-PRODUCING			
Alberta			
Jenner	P.&N.G. lease	30,189	80.
Jenner	P.&N.G. lease	2,242	70.
Jenner	Natural Gas lease	17,779	80.
Provost	Natural Gas lease	8,969	66.666
Rainbow	P.&N.G. lease	160	8.333
Rainbow South	P.&N.G. lease	320	20.
South Thurston Lake	Reservation	3,840	12.5
Steel Lake	P.&N.G. lease	640	20.
		<hr/> 64,139	
		ACREAGE	INTEREST—% Gross overriding Royalty
Bat Lake	P.&N.G. lease	34,880	0.4253
Brazeau	P.&N.G. lease	6,721	1.5625
Chip Lake	P.&N.G. lease	159	2.5
Hanna	P.&N.G. lease	960	1.25
Hawk Hills	P.&N.G. lease	20,000	2.5
* Rainbow Lake	P.&N.G. lease	37,760	3.
Purple Springs	P.&N.G. lease	40	1.5
Purple Springs	P.&N.G. lease	280	1.
Saddle Lake	P.&N.G. lease	1,277	2.48
Zama West	Reservation	3,840	0.75
		<hr/> 105,917	

(* 3 wells presently producing on these lands)

MINERAL INTERESTS		ACREAGE	WORKING INTEREST %
Saskatchewan			
Athabasca Sandstone Mineral Prospecting Permits		960,000 acres	14.2857
British Columbia			
Mineral Claims		262 claims	14.2857
Mineral Exploration Permits — Vancouver Island		160,921 acres	14.2857

DYNAMIC PETROLEUM PRODUCTS LTD.
 AUTHORIZED CAPITAL: 10,000,000 shares of no par value
 ISSUED: 7,571,632, of which

44% { 425,000 are owned by Mill City Petroleum Limited
 1,025,000 are owned by New Continental Oil Company of Canada Limited
 *1,880,124 are owned by Dynamic Voting Trust and Directors

TOTAL NUMBER OF SHAREHOLDERS — 5,380
 DIRECTORS: Frank Brown Archibald Park Newall Jr.
 Robert Clive Brown Roger D. Paugh

ROYAL CANADIAN VENTURES LTD.
 AUTHORIZED CAPITAL — 5,000,000 shares of no par value
 ISSUED: 4,400,723, of which

57% { 1,700,000 are owned by Dynamic Petroleum Products Ltd.
 792,000 are owned by Mill City Petroleum Limited

TOTAL NUMBER OF SHAREHOLDERS — 1,370
 DIRECTORS: Archibald Park Newall Jr. Robert Clive Brown
 Frank Brown

MILL CITY PETROLEUMS LIMITED
 AUTHORIZED CAPITAL — 6,000,000 shares of no par value
 ISSUED: 5,695,334, of which

41% { 1,068,854 shares are owned by Royal Canadian Ventures Ltd.
 1,193,939 shares are owned by Dynamic Petroleum Products Ltd.
 75,000 shares are owned by Consolidated East Crest Oil Company Limited

TOTAL NUMBER OF SHAREHOLDERS — 4,548
 DIRECTORS: Roger D. Paugh
 Frank Brown Archibald Park Newall Jr.
 Robert Clive Brown Archibald Park Newall Sr.

PERMO GAS AND OIL LIMITED
 AUTHORIZED CAPITAL — 20,000,000 shares of no par value
 ISSUED: 13,127,276, of which

6,096,694 shares or 46% are owned by Mill City Petroleum Limited

TOTAL NUMBER OF SHAREHOLDERS — 3,800
 DIRECTORS: Robert Clive Brown
 Archibald Park Newall Jr.
 Frank Brown

CONSOLIDATED EAST CREST OIL COMPANY LIMITED
 AUTHORIZED CAPITAL — 5,000,000 shares of no par value
 ISSUED: 1,599,174, of which

1,271,338 shares or 79% are owned by Permo Gas & Oil Limited

TOTAL NUMBER OF SHAREHOLDERS — 1,468
 DIRECTORS: Robert Clive Brown
 Archibald Park Newall Jr.
 Frank Brown

NEW CONTINENTAL OIL COMPANY OF CANADA LIMITED
 AUTHORIZED CAPITAL: 10,000,000 shares of no par value
 ISSUED: 6,040,000, of which

3,452,433 shares or 57% are owned by Permo Gas & Oil Limited

TOTAL NUMBER OF SHAREHOLDERS — 2,577
 DIRECTORS: Robert Clive Brown
 Archibald Park Newall Jr.
 Frank Brown

* Principal members of the Dynamic Voting Trust who are also Directors of the Company, and their respective holdings of shares of Dynamic as of February 29, 1968, are as follows:

Frank Brown	529,597 shares
Robert Clive Brown	477,072 shares
Archibald Park Newall Jr.	475,422 shares

(This chart effective as of February 29, 1968)

